

Site of Service (SOS) Payment Differential

How are fees established for the professional services performed in the facility and non-facility settings?

Based on the RBRVS methodology, MAA's fee schedule amounts are established using three relative value unit (RVU) components (work, practice expense and malpractice expense). MAA uses the two levels of practice expense to determine the fee schedule amounts for reimbursing professional services. This may result in two RBRVS maximum allowable fees for a procedure code. These are:

- **Facility setting maximum allowable fees (FS MAF)** - Paid when the provider performs the services in a facility setting and the cost of the resources are the responsibility of the facility; or
- **Non-facility setting maximum allowable fees (NFS MAF)** - Paid for services when the provider performing the service typically bears the cost of resources, such as labor, medical supplies, and medical equipment associated with the service performed.

Some services, by nature of their description, are performed only in certain settings and have only one maximum allowable fee per code. Examples of these services include many:

- Evaluation and management codes, which specify the site of service within the description of the procedure codes; and
- Major surgical procedures that are generally only performed in hospital settings.

How will the site of service payment policy affect provider reimbursements?

Providers billing professional services will be reimbursed at one of two maximum allowable fees, depending on where the service is performed.

Does MAA reimburse providers differently for services performed in facility and non-facility settings?

When a provider performs a professional service in a facility setting, MAA makes two payments, one to the performing provider and another to the facility. The reimbursement to the facility includes the payment for resources. The NFS MAF includes the allowance for resources.

The professional FS MAF excludes the allowance for resources that are included in the payment to the facility. Reimbursing the lower FS MAF to performing providers when the facility is also reimbursed eliminates duplicate payment for resources.

When are professional services reimbursed at the Facility Setting Maximum Allowable Fee?

Providers are reimbursed at the FS MAF when MAA also makes a payment to a facility. MAA will follow CMS's determination for using the FS MAF, except when this is not possible due to system limitations.

Professional services billed with the following place of service codes will be reimbursed at the FS MAF:

MAA Place of Service Code	CMS Place of Service Description
1	Inpatient Hospital
1	Inpatient Psychiatric Facility
1	Comprehensive Inpatient Rehabilitation Facility
2	Outpatient Hospital
2	Hospice
2	Psychiatric Facility Partial Hospitalization
2	Comprehensive Outpatient Rehabilitation Facility
2	End-Stage Renal Disease Treatment Facility
5	Emergency Room- Hospital
6	Ambulatory Surgery Center
7	Intermediate Care Facility/Mentally Retarded
8	Skilled Nursing Facility
8	Nursing Facility

Due to Medicare consolidated billing requirements, MAA does not make a separate payment to providers who perform certain services in hospitals and skilled nursing facilities. The facilities will be reimbursed at the NFS MAF. Some therapies, such as physical therapy services (Current Procedural Terminology (CPT) 97001-97799), will always be paid at the NFS MAF.

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When are professional services reimbursed at the Non-Facility Setting Maximum Allowable Fee?

The NFS MAF is paid when MAA does not make a separate payment to a facility. Services performed in a provider's office, client's home, facility or institution (listed in the following table) will be reimbursed at the NFS MAF. MAA will follow CMS's determination for using the NFS MAF, except when this is not possible due to system limitations.

Professional services billed with the following place of service codes will be reimbursed at the NFS MAF:

MAA Place of Service Code	CMS Place of Service Description
3	Office *
3	Federally Qualified Health Center
3	Community Mental Health Center
3	State or Local Public Health Clinic
3	Rural Health Clinic
3	Independent Laboratory
4	Client's Private Residence
9	Birth Center
9	Military Treatment Facility
9	Custodial Care Facility
9	Adult Family Homes
9	Boarding Homes (e.g., Assisted Living facility, Enhanced Adult residential care facility, adult residential care facility)
9	Residential Substance Abuse Treatment Facility
9	Psychiatric Residential Treatment Center
9	Other Unlisted Facility

*Includes Neurodevelopmental Centers

What professional services have an SOS payment differential?

Most of the services with an SOS payment differential are from the surgery, medicine and evaluation and management ranges of CPT. However, some HCPCS, CPT radiology, pathology and laboratory codes also have an SOS payment differential.

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Fee Schedule Changes

- There are several new changes to the format of the fee schedule this year:
 - ✓ Maximum allowable fees for all codes, including CPT codes, select HCPCS codes, state-unique codes, and injectable drug codes are now **listed in one fee schedule**, beginning on page J5. This enables providers to use this section as a quick reference for MAA's maximum allowable fees.
 - ✓ Beginning on page J5, MAA has identified procedure codes that may require some type of prior authorization. However, this list may not be all-inclusive. Prior authorization, limitations, or requirements detailed in MAA's billing instructions, Washington Administrative Codes (WAC) remain applicable.
 - ✓ Beginning on page J124, full descriptions and limitations are listed for all state-unique procedure codes. In addition, select HCPCS codes are listed here if they contain special limitations, requirements, or instructions. However, this list may not be all-inclusive. Limitations or requirements detailed in MAA's billing instructions or WAC remain applicable.
 - ✓ Section L contains rate setting methodology and unit rounding instructions for injection drug codes. However, all of the fees have been moved to the complete schedule of maximum allowable fees in Section J.